

# Mortgage market update

**The local housing market seems to have slowed down at last. Due in part to holidays and more importantly to justifiable worries about the increased cost of borrowing, as recession looms and Bank of England Base Rate continues to rise.**

## JERSEY HOUSE PRICE INDEX

The recently released House Price Index for the second quarter of this year showed the average price of property was 2% higher than the previous quarter in all sectors, except three-bedroom houses, which recorded a fall of £45,000.

Below are the mean prices that Statistics Jersey produced:

- 1 bed flat £353,000
- 2 bed flat £536,000
- 2 bed house £664,000
- 3 bed house £853,000
- 4 bed house £1,329,000

A comparison against average prices in the UK shows that the Jersey statistics were significantly greater than London and more than twice that of the UK as a whole.

## MORE PROPERTY FOR SALE

Whilst the local market might have slowed, this appears to have had no impact on new instructions to estate agents. The online property website [www.places.je](http://www.places.je) is recording no fewer than 926 apartment and house listings

(an increase of 200 since last month). 263 of the apartments are priced at £500,000 or less, giving First Time Buyers a wider choice of options than had previously been available.

## BASE RATES SET TO INCREASE

The most recent news on interest rates shows that the market is predicting that the Bank of England Base Rate (currently at 1.75%), will rise above 3% by the end of the year and as high as 4.25% by August 2023. This in turn will mean that 5-year fixed rates are likely to jump to more than 5.5%.

In January this year, the best 5-year fixed rate for a 90% mortgage was only 1.99%, which shows just how much the situation can change.

## BEST ADVICE

For purchasers entering the market, the advice that our team at the Mortgage Shop continues to offer is to lock in to a 5-year fixed rate, with the same advice for those existing borrowers who have fixed rates that are due to be reviewed within the next six months - as it is sometimes possible to lock into a competitive fixed rate now, which will start when the current fixed deal ends.

## WHY CONSULT A MORTGAGE BROKER?

A lender can only discuss their own products whilst consulting a mortgage broker, means that you will be introduced to the best options across the whole of the mortgage market.

Our Mortgage Shop advisers can talk you through various mortgage products and how they might fit in with your lifestyle and future expectations.

Our Best Rates summary continues to show an increase in most areas, with rates that will sadly have likely moved up again by month end.

## Best Rates For September

<b>60% 5 year Fixed</b>	<b>2.85%</b>
<b>80% 2 year Tracker</b>	<b>2.44%</b>
<b>80% 10 year Fixed</b>	<b>3.75%</b>
<b>80% 2 year Fixed</b>	<b>2.85%</b>
<b>80% 5 year Fixed</b>	<b>3.10%</b>
<b>90% 2 year Tracker</b>	<b>3.34%</b>
<b>90% 2 year Fixed</b>	<b>2.99%</b>
<b>90% 5 year Fixed</b>	<b>3.07%</b>
<b>95% 2 year Fixed</b>	<b>4.14%</b>
<b>95% 5 year Fixed</b>	<b>4.19%</b>
<b>100% 5 Year Fixed</b>	<b>4.79%</b>
<b>60% BTL 2 year Fixed</b>	<b>2.85%</b>
<b>60% BTL 5 year Fixed</b>	<b>3.20%</b>

Rates correct as at 05/09/2022 BTL = Buy to let mortgage

**HERE TO HELP** *As always, if you want to review your current mortgage rate, or understand your borrowing options for a new mortgage, the team at The Mortgage Shop are here to help. Please call 789830, or email us on [info@mortgageshop.je](mailto:info@mortgageshop.je)*



**the mortgage shop**

**Tel: 789830**

[www.mortgageshop.je](http://www.mortgageshop.je) [info@mortgageshop.je](mailto:info@mortgageshop.je) [f themortgageshopjersey](https://www.facebook.com/themortgageshopjersey) 2-6 Church Street, St. Helier, JE2 3NN

Your home is at risk if you do not keep up repayments on a mortgage or other loan secured on it. Registered with The Jersey Financial Services Commission.